

**HARRISON HILLS CITY SCHOOL DISTRICT  
HARRISON COUNTY  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
JUNE 30, 2019, 2020 and 2021 ACTUAL  
FORECASTED FISCAL YEARS ENDING  
JUNE 30, 2022 THROUGH JUNE 30, 2026**



**Harrison Hills City School District**

**Treasurer's Office  
Roxane Harding, Treasurer  
October 28, 2021**

# HARRISON HILLS CITY SCHOOL DISTRICT

## Harrison County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2019, 2020, 2021  
Forecasted Fiscal Year Ending June 30, 2022 through 2026

	Actual				Average Change	Forecasted				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021			Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	18,224,657	18,024,699	19,882,105	4.6%	21,230,841	21,899,213	22,084,368	22,255,064	22,413,363	
1.020 Public Utility Personal Property Tax	-	-	-	0.0%	-	-	-	-	-	
1.030 Income Tax	-	-	-	0.0%	-	-	-	-	-	
1.035 Unrestricted State Grants-in-Aid	10,017,246	9,542,937	9,758,385	-1.2%	8,772,167	8,790,741	8,789,021	8,787,284	8,785,530	
1.040 Restricted State Grants-in-Aid	326,262	329,703	302,920	-3.5%	306,127	309,038	311,979	314,949	317,948	
1.045 Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-	
1.050 Property Tax Allocation	703,417	702,043	731,865	2.0%	738,283	730,120	733,848	737,575	737,651	
1.060 All Other Revenues	1,310,991	1,926,700	1,579,474	14.5%	601,267	606,000	565,000	565,000	550,000	
1.070 <b>Total Revenues</b>	<b>30,582,573</b>	<b>30,526,082</b>	<b>32,254,749</b>	<b>2.7%</b>	<b>31,648,685</b>	<b>32,335,112</b>	<b>32,484,216</b>	<b>32,659,872</b>	<b>32,804,492</b>	
<b>Other Financing Sources</b>										
2.010 Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-	
2.020 State Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-	
2.040 Operating Transfers-In	276,021	272,009	272,345	-0.7%	272,345	272,345	272,345	272,345	272,345	
2.050 Advances-In	60,873	537	671,760	6244.7%	177,875	350,000	350,000	350,000	350,000	
2.060 All Other Financing Sources	-	123,943	157,517	0.0%	0	0	0	0	0	
2.070 <b>Total Other Financing Sources</b>	<b>336,894</b>	<b>396,489</b>	<b>1,101,622</b>	<b>97.8%</b>	<b>450,220</b>	<b>622,345</b>	<b>622,345</b>	<b>622,345</b>	<b>622,345</b>	
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>30,919,467</b>	<b>30,922,571</b>	<b>33,356,371</b>	<b>3.9%</b>	<b>32,098,905</b>	<b>32,957,457</b>	<b>33,106,561</b>	<b>33,282,217</b>	<b>33,426,837</b>	
<b>Expenditures</b>										
3.010 Personal Services	8,049,637	8,388,764	9,007,926	5.8%	\$9,383,800	\$9,964,200	\$10,236,700	\$10,543,801	\$10,860,000	
3.020 Employees' Retirement/Insurance Benefits	4,794,523	5,103,837	5,460,100	6.7%	\$5,949,800	\$6,395,300	\$6,873,400	\$7,090,706	\$7,514,820	
3.030 Purchased Services	3,821,242	4,348,799	4,591,702	9.7%	\$2,736,000	\$2,801,800	\$2,901,000	\$3,002,535	\$3,107,623	
3.040 Supplies and Materials	1,226,286	867,541	632,727	-28.2%	1,893,411	2,020,724	2,151,443	2,239,947	2,302,843	
3.050 Capital Outlay	594,821	767,992	603,226	3.8%	871,465	1,338,665	1,251,375	1,292,131	1,300,629	
3.060 Intergovernmental	-	-	-	0.0%	-	-	-	-	-	
Debt Service:										
4.010 Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-	
4.020 Principal-Notes	-	-	-	0.0%	-	-	-	-	-	
4.030 Principal-State Loans	-	-	-	0.0%	-	-	-	-	-	
4.040 Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-	
4.050 Principal-HB 264 Loans	35,000	35,000	40,000	7.1%	\$40,000	\$40,000	\$45,000	\$45,000	\$50,000	
4.055 Principal-Other	-	-	-	0.0%	-	-	-	-	-	
4.060 Interest and Fiscal Charges	1,000	7,532	(350)	274.3%	\$2,500	\$2,500	\$2,500	\$2,500	\$1,000	
4.300 Other Objects	576,411	626,332	632,379	4.8%	\$778,550	\$790,838	\$829,529	\$854,415	\$880,044	
4.500 <b>Total Expenditures</b>	<b>\$19,098,920</b>	<b>20,145,797</b>	<b>20,967,710</b>	<b>4.8%</b>	<b>21,655,526</b>	<b>23,354,027</b>	<b>24,290,947</b>	<b>25,071,034</b>	<b>26,016,959</b>	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out	2,867,021	7,784,259	6,833,969	79.7%	\$5,325,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	
5.020 Advances-Out	537	2,474	847,161	17251.6%	700,000	350,000	350,000	350,000	350,000	
5.030 All Other Financing Uses	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0	
5.040 <b>Total Other Financing Uses</b>	<b>2,867,558</b>	<b>7,786,733</b>	<b>7,681,130</b>	<b>85.1%</b>	<b>6,025,000</b>	<b>2,350,000</b>	<b>2,350,000</b>	<b>2,350,000</b>	<b>2,350,000</b>	
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>21,966,478</b>	<b>27,932,530</b>	<b>28,648,840</b>	<b>14.9%</b>	<b>27,680,526</b>	<b>25,704,027</b>	<b>26,640,947</b>	<b>27,421,034</b>	<b>28,366,959</b>	
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>8,952,989</b>	<b>2,990,041</b>	<b>4,707,531</b>	<b>-4.6%</b>	<b>4,418,379</b>	<b>7,253,430</b>	<b>6,465,614</b>	<b>5,861,183</b>	<b>5,059,878</b>	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	22,515,733	31,468,722	34,458,763	24.6%	39,166,294	43,584,673	50,838,103	57,303,717	63,164,900	
7.020 <b>Cash Balance June 30</b>	<b>31,468,722</b>	<b>34,458,763</b>	<b>39,166,294</b>	<b>11.6%</b>	<b>43,584,673</b>	<b>50,838,103</b>	<b>57,303,717</b>	<b>63,164,900</b>	<b>68,224,778</b>	
8.010 <b>Estimated Encumbrances June 30</b>	<b>847,065</b>	<b>610,640</b>	<b>1,024,099</b>	<b>19.9%</b>	<b>555,000</b>	<b>555,000</b>	<b>555,000</b>	<b>555,000</b>	<b>555,000</b>	
<b>Reservation of Fund Balance</b>										
9.010 Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-	
9.020 Capital Improvements	452,525	539,099	901,471	43.2%	1,051,471	1,273,815	1,422,096	1,422,096	1,422,096	
9.030 Budget Reserve	151,803	151,803	151,803	0.0%	151,803	151,803	151,803	151,803	151,803	

# HARRISON HILLS CITY SCHOOL DISTRICT

## Harrison County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2019, 2020, 2021  
Forecasted Fiscal Year Ending June 30, 2022 through 2026

	Actual				Forecasted				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
9.040 DPIA	-	-	-	0.0%	-	-	-	-	-
9.045 Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050 Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060 Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070 Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080 <i>Subtotal</i>	604,328	690,902	1,053,274	33.4%	1,203,274	1,425,618	1,573,899	1,573,899	1,573,899
<i>Fund Balance June 30 for Certification of Appropriations</i>	30,017,329	33,157,221	37,088,921	11.2%	41,826,399	48,857,485	55,174,818	61,036,001	66,095,879
<b>Revenue from Replacement/Renewal Levies</b>									
11.010 Income Tax - Renewal	-	-	-	0.0%	-	-	-	-	-
11.020 Property Tax - Renewal or Replacement	-	-	-	0.0%	-	-	-	-	-
11.300 Cumulative Balance of Renewal Levies	-	-	-	0.0%	-	-	-	-	-
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	30,017,329	33,157,221	37,088,921	11.2%	41,826,399	48,857,485	55,174,818	61,036,001	66,095,879
<b>Revenue from New Levies</b>									
13.010 Income Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.020 Property Tax - New				0.0%	-	-	-	-	-
13.030 Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010 Revenue from Future State Advancements	-			0.0%	-	-	-	-	-
15.010 <i>Unreserved Fund Balance June 30</i>	30,017,329	33,157,221	37,088,921	11.2%	41,826,399	48,857,485	55,174,818	61,036,001	66,095,879

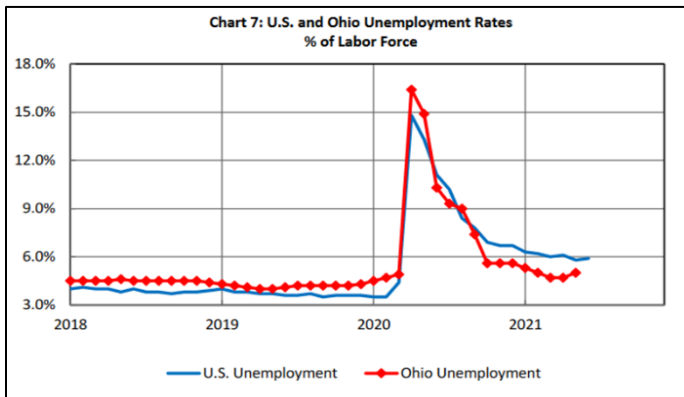
**Harrison Hills City School District – Harrison County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**October 28, 2021**

**Introduction to the Five Year Forecast**

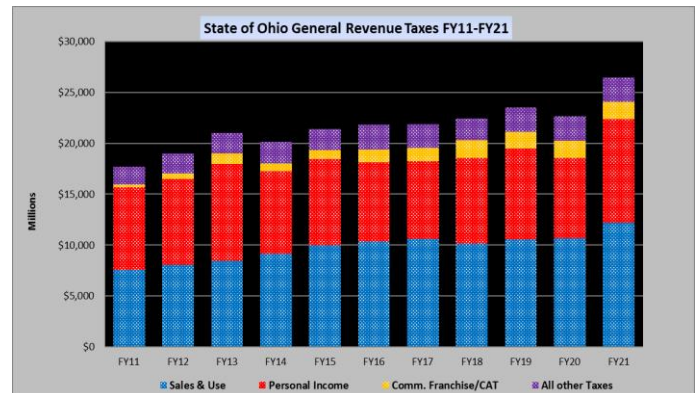
School districts are required to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021-June 30, 2022) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the November 2021 filing.

**Economic Outlook**

This five-year forecast is being filed during the ongoing global health and financial recovery from the COVID-19 Pandemic which began in early 2020, and continues due to several serious virus mutations. The effects of the pandemic continue to impact our state, country and our globalized economy. Our school district plays a vital role in the recovery in our community and we have maintained continuity of services to our students and staff. As noted in the graphs below, the State of Ohio’s economy has steadily recovered over the past year thus the full restoration of the original school foundation funding cuts from May 2020 are being restored to school districts beginning July 1, 2021. While increased inflation impacting district costs are expected to continue over the next few years, the economy is also expected to continue to grow as the recovery from the pandemic continues.



Source: Ohio Office of Budget and Management



Source: Ohio Office of Budget and Management

As a result from the financial stresses that responding to the pandemic placed on school district budgets, all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began being disbursed in fiscal year 2020 and can be extended into fiscal year 2025 for ESSER III expenses. The ESSER funds and restored state budget cuts will assist our district in providing vital services to our students.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

**Forecast Risks and Uncertainty:**

A five year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next

two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

1) HB110 the current state budget implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact on the forecast will be noticed that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. Longer term there may be some adjustments for FY22 and FY23 in state aid as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula at the time of this forecast.

2) The State Budget represents 31% of district revenues and is an area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26 which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

3) Property tax collections are 67% of revenues which is the largest single revenue source for the school system. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes. Total local revenues which are predominately local property and public utility taxes equate to 69% of the district's resources. Collection rates for the 2021 property tax collections did not show sharp declines due to increased delinquencies. With the economy recovering and growing we believe there is a low risk that local collections would fall below projections in the forecast.

4) Harrison County experienced a reappraisal update in the 2020 tax year to be collected in FY21. The 2020 update increased overall assessed values by \$22.25 million or an increase of 14.02%. A full reappraisal will occur in tax year 2023 for collection in FY24. We anticipate value increases for Class I and II property by \$2.39 million for an overall increase of 1% including the adjustment for lower Current Agricultural Use Values (CAUV) authorized by HB49. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

5) We have been notified by the Carrol and Harrison County Auditors that Rover Pipeline has filed a second appeal to lower values by \$109,269,580 on their Public Utility Personal Property (PUPP) values. They have made payments in CY2021 that would equal the new lower value they seek. As a result, if they are successful our district would not face a refund to Rover on taxes paid. If they lose then we would be due additional revenues. To be conservative we have assumed the \$109.3M in PUPP value will be removed from our values for future projections. That reduces PUPP taxes by \$3.8M per year in the forecast. We are monitoring the Ohio

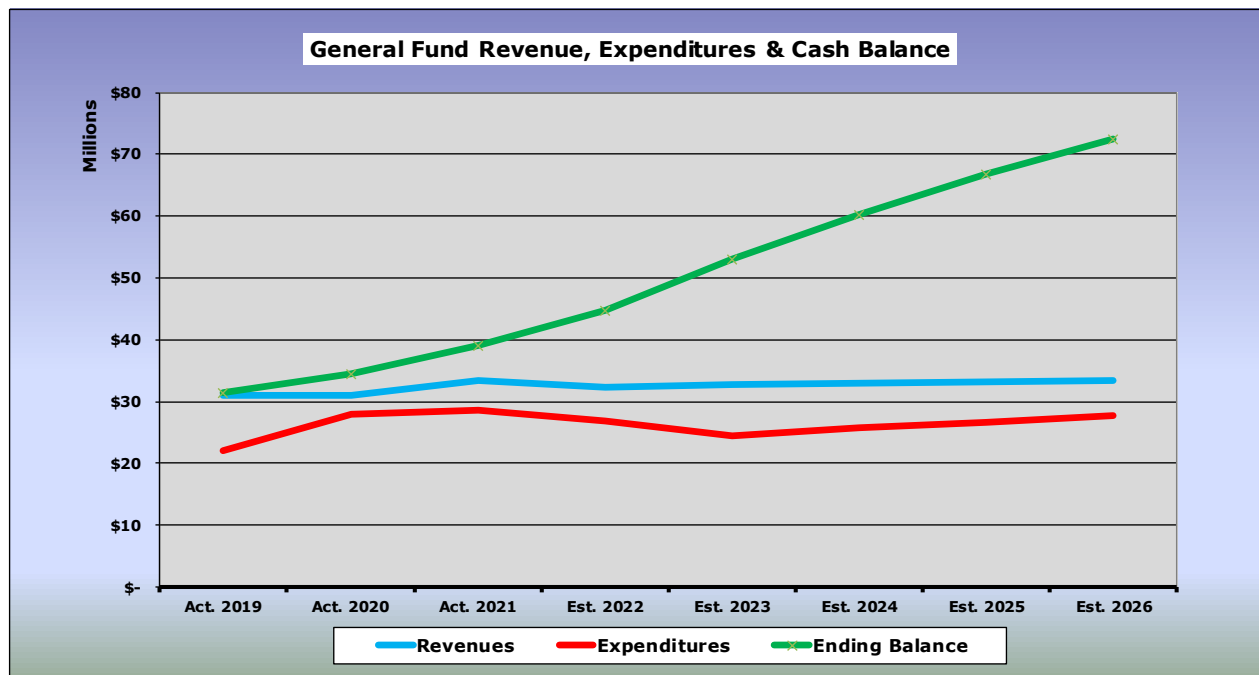
Board of Tax Appeals (BTA) where this case has been rescheduled from November 10, 2021 and is now pending hearing May 9, 2022. The risk that the BTA will approve lower values has been removed from our forecast since the contested value has been reduced as noted above. We will be due additional revenues should the BTA determine the original or a higher than contested value is warranted.

6) HB110 direct pays costs associated with open enrollment, community and STEM schools, and for scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can expose the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.

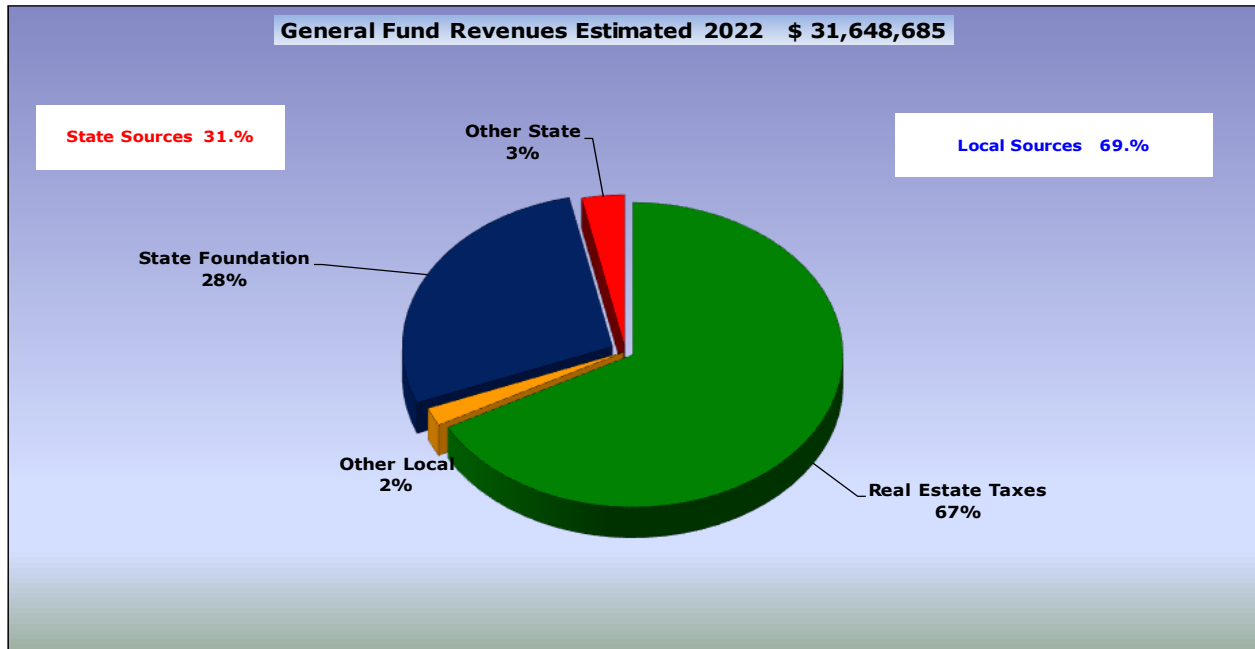
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Roxane Harding, Treasurer at 740.942.7810.

**General Fund Revenue, Expenditure and Ending Cash Balance Actual FY19-21 and Estimated FY22-26**

The graph captures in one snapshot the operating scenario facing the District over the next few years.



## Revenue Assumptions Estimated General Fund Revenue for FY22



### Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Harrison County experienced a reappraisal update for the 2020 tax year to be collected in 2021. Residential/agricultural (Class I values) were increased 9.54% or \$20.8 million. Commercial/industrial/mineral (Class II values) increased by \$1.4 million overall or a .86% increase as noted below.

A reappraisal update occurred in 2020 for collection in 2021 for which we saw a 9.54% increase in residential and a .86% increase for commercial/industrial property. CAUV values represent 47.9% of Class I residential/agricultural values HB49 authorized a reduction in CAUV computations. These reductions will occur as districts experience their next reappraisal or update cycle. We experienced this in the Tax Year 2020 reappraisal update. A reduction of value has been weighed in to our average Class I value change in 2019. This caused somewhat of a shift in taxes from agricultural taxpayers to residential taxpayers but should not result in lower taxes to our district. Residential/Agricultural and Commercial/Industrial values increased \$1.4 million or .86% overall. A reappraisal update is scheduled to occur in 2023 to be collected FY24. We anticipate a 1% increase in Class I for \$2.39M and no increase or decrease occurring in Class II.

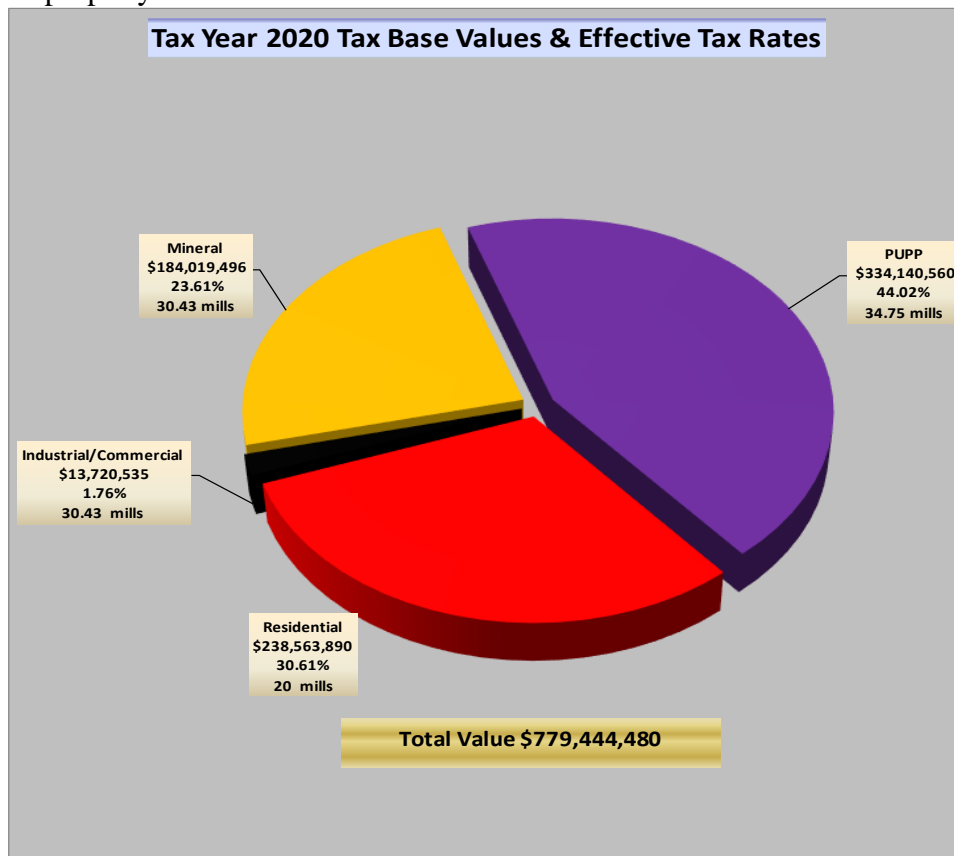
Tax Year 2017 we noted our mineral values (which are part of Class II commercial/industrial/mineral values) fell \$43.9 million or a 17% drop, in tax year 2018 they fell again \$28.9 million at 15% drop, and, again in tax year 2019 they fell \$20.9 million or 11% drop. In 2020 mineral values shot up \$32.8 million or a 20% increase. This pattern illustrates the boom and bust type cycle for mineral values. We will continue to monitor these values and information we receive closely but the values are not easily predictable. Based on this we are reluctant to speculate on future value increases or decreases with so little information to base these predictions on. We have estimated values to increase conservatively in each future year of the forecast but these values could just as likely continue to fall.

Public Utility Personal Property (PUPP) values rose by a significant \$38.96 million in 2020 which a 13% rise over last years' values and caused revenue collection for taxes on Line 1.01 to rise sharply. PUPP values are

determined at the Ohio Department of Taxation from confidential filings from utilities and then certified to each county auditor late in the calendar year. These values are particularly valuable as they are taxed at our full 34.75 general fund tax rate. We did note that Rover Pipeline has filed an appeal to lower their values by 43% (\$109.27 million drop) on the new pipeline. The case was originally scheduled to be heard in May 2021 it is now been delayed again from November 10, 2021 to May 9, 2022. This case could take a year or more to settle. We have removed the entire \$109.27 million from the districts certified PUPP values as Rover is not paying taxes on the ODT amount. They are “tender paying” on the amount they believe their values should be. We want to be conservative in our estimates of these taxes since there is no way to predict these values ahead with accuracy or as to the outcome of the eventual Board of Tax Appeals outcome.

PUPP values are taxed at our full gross rate; therefore, any increase will have a positive effect on revenues through the entire forecast period.

The chart below shows our tax year 2020 values as reported to us by the County Auditor and our current tax rates for each type of property value.



### Historic Concerns with Property Valuation and Tax Collections and Growth in Energy Development

The table below shows the property valuation of the district since tax year 2000 for collection in 2001. Property values continued to grow in the district even during the phase out of TPP values by HB66 and reductions in values for the housing bubble were made in 2009. A major factor in our growth is anticipated to be mineral value as a result of the oil and gas “fracking” boom underway in our county. According to the Ohio Department of Natural Resources our county continues to have the highest number of active “fracking” wells in the state. It was not a surprise that mineral values soared in tax year 2012, 2015 and again in 2016. It was a surprise, however, to find that our tax collections for 2013 actually fell from a year earlier. The tax collections in 2012 were \$5,076,221 while in 2013 they were \$4,737,901. This is improbable since our values were actually up by 15.7%. Upon further investigation between the County Auditor and Ohio Department of



Taxation, we noted various reporting errors in assessed valuations. Those errors in turn resulted in the undulations in tax collections between fiscal years. For this reason, we are very conservative in estimating increases in assessed values and tax revenues.

Our most recent tax base concerns are for the \$43.9 million, \$28.9 million and \$20.9 million drop in mineral values in tax years 2017, 2018, and 2019 respectively, from the previous years. These are large drops in Class II value with no explanation other than this is how mineral values will fluctuate, which is in a boom and bust cycle. This underscores the ongoing concerns we have about large tax base swings and the reason we continue to try work closely with our county auditor’s office. We continue to work with the County Auditor to obtain data in order to make more accurate estimates for FY 22-26.

Tax Year	Residential Agriculture	Commercial Industrial	Mineral	P.U. Personal	TPP	Total Value Per ODT
2000	107,078,450	21,382,490	2,270,880	27,367,290	1,893,140	159,992,250
2001	107,300,860	20,868,180	2,149,920	15,918,080	18,942,170	165,179,210
2002	122,471,490	21,620,110	2,284,990	16,331,890	15,844,980	178,553,460
2003	124,618,210	21,607,490	2,277,140	15,982,620	15,462,424	179,947,884
2004	126,834,060	21,909,710	2,222,460	16,456,650	15,995,181	183,418,061
2005	151,685,100	23,312,520	2,442,430	16,809,190	15,711,322	209,960,562
2006	148,911,080	23,481,720	2,282,770	16,807,600	16,609,385	208,092,555
2007	149,561,300	23,312,980	2,131,290	17,171,880	9,573,205	201,750,655
2008	170,195,390	23,714,630	2,075,290	17,551,500	4,744,460	218,281,270
2009	169,242,380	23,621,210	2,560,120	19,033,780	534,140	214,991,630
2010	169,597,730	23,377,810	2,113,010	22,040,450	285,520	217,414,520
2011	177,763,050	22,774,160	3,319,110	23,028,781	0	226,885,101
2012	177,485,840	22,354,770	37,036,660	25,705,729	0	262,582,999
Adj. 2013	176,838,360	19,781,770	26,271,424	25,705,729	0	248,597,283
2014	199,556,190	23,977,805	27,059,567	50,813,460	0	301,407,022
2015	198,239,160	32,001,450	117,801,920	72,341,180	0	420,383,710
2016	205,255,632	30,862,628	224,123,060	78,674,302	0	538,915,622
2017	217,520,810	46,912,550	175,763,850	139,368,280	0	579,565,490
2018	217,514,490	40,245,421	146,802,520	247,488,520	0	652,050,951
2019	218,443,130	13,001,465	151,206,596	304,173,060	0	686,824,250
2020	238,563,890	13,720,535	184,019,496	343,140,560	0	779,444,480

**ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS**

	Estimated TAX YEAR2021	Estimated TAX YEAR2022	Estimated TAX YEAR2023	Estimated TAX YEAR2024	Estimated TAX YEAR 2025
<u>Classification</u>	<u>COLLECT 2022</u>	<u>COLLECT 2023</u>	<u>COLLECT 2024</u>	<u>COLLECT 2025</u>	<u>COLLECT 2026</u>
Res./Ag.	\$238,588,890	\$238,613,890	\$241,025,029	\$241,050,029	\$241,075,029
Commercial/Mineral	192,715,030	195,690,030	198,665,030	201,640,030	204,615,030
Public Utility (PUPP)	345,140,560	347,140,560	349,140,560	351,140,560	353,140,560
Total Assessed Value	<u>\$776,444,480</u>	<u>\$781,444,480</u>	<u>\$788,830,619</u>	<u>\$793,830,619</u>	<u>\$798,830,619</u>

**ESTIMATED REAL ESTATE TAX (Line #1.010)**

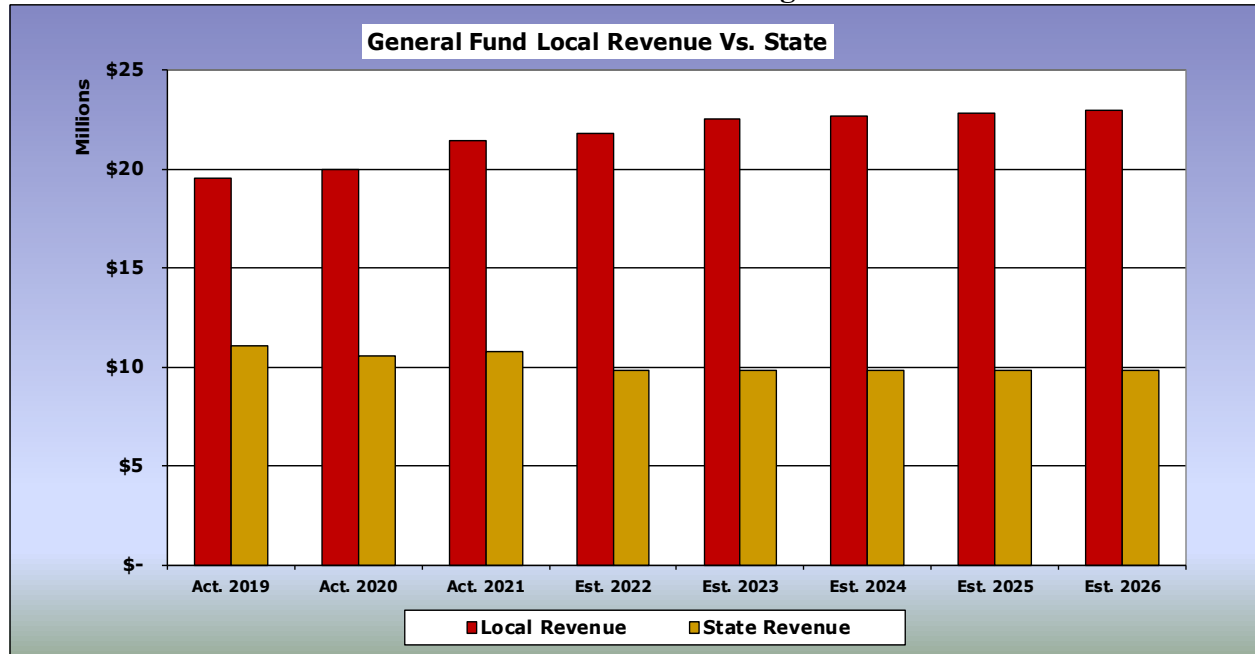
Property tax levies are estimated to be collected at 95% of the annual amount. This allows 5% delinquency factor. Lower collection rates predicted due to the COVID-19 pandemic and economic slowdown did not occur as advised by the County Auditor. In general, 68% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 32% collected in the August tax settlement. Public Utility tax

settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

**Estimated Tangible Personal Tax – Line#1.020**

HB66 systematically phased out the general tangible personal property tax after tax year 2010. The only tax that may be received in future years could be from delinquent TPP taxes outstanding after 2010.

**Comparison of Local Revenue and State Revenue Actual FY19 through FY21 and Estimated FY22 through 26**



**State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045  
Current State Funding Model per HB110 through June 30, 2023**

**A) Unrestricted State Foundation & Casino Revenue – Line #1.035**

The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district.

The amounts estimated for state funding are based on HB110, referred to as the Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. HB110 the current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five year forecast look different with estimates FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

**Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan**

- A. Student Population and Demographics
- B. Property Valuation
- C. Personal Income of District Residents

## D. Historical Funding- CAPS and Guarantees from prior funding formulas

### Base Cost Approach- Unrestricted Basic Aid Foundation Funding

The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district that includes base funding for five (5) areas:

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component)
3. District Leadership & Accountability (7 subcomponents)
4. Building Leadership & Operations (3 subcomponents)
5. Athletic Co-curricular (contingent on participation)

### State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is estimated to be as high as \$7,202 per pupil when fully phased in, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income and 20% on federal median income, as follows:

1. 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
2. 20% based on most recent three (3) year average federal adjusted gross income of districts residents or the most recent year, whichever is lower divided by base students enrolled.
3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated and item 1 through 3 above added together the total is then multiplied by a Local Share Multiplier Index from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open enrolled students being educated in each district), and finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount.

### **Categorical State Aid**

In addition to the base state foundation funding calculated above the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

#### Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). Also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all district's calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.

3. Transportation Aid – Funding based on all resident students who ride including preschool students and those living within 1 mile of school. Provides supplemental transportation for low density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23.

#### Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on number and concentration of economically disadvantaged students compared to state average and multiplied by \$422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.

#### **State Funding Phase-In FY22 and FY23 and Guarantees**

HB110 provides funding for FY22 and FY23. While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase in.

HB110 includes “formula transition aid” which is a guarantee. There are actually three (3) guarantees in both temporary and permanent law to ensure that no district will get less funds in FY22 and FY23 than they received in FY21. The guarantee level of funding for FY21 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items.

#### **Student Wellness and Success (Restricted Fund 467)**

In FY20 and FY21 HB166, provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110 the new state budget has essentially eliminated these funds by merging them into state aid and wrapped into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below. Any remaining funds in Special Revenue Fund 467 will be required to be used for the restricted purposes governing these funds until spent fully.

#### **Future State Budget Projections beyond FY23**

Our funding status for the FY24-26 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason funding is held constant FY23 through FY26.

#### **Casino Revenue**

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31<sup>st</sup> of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure,

casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$106.35 million or \$59.80 per pupil. We believe FY22 Casino revenues will resume their historical growth rate.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Basic Aid-Unrestricted	\$8,528,706	\$8,546,071	\$8,543,130	\$8,540,160	\$8,537,161
Additional Aid Items	<u>152,505</u>	<u>152,505</u>	<u>152,505</u>	<u>152,505</u>	<u>152,505</u>
Basic Aid-Unrestricted Subtotal	8,681,211	8,698,576	8,695,635	8,692,665	8,689,666
Ohio Casino Commission ODT	<u>90,956</u>	<u>92,165</u>	<u>93,386</u>	<u>94,619</u>	<u>95,864</u>
Unrestricted State Aid Line # 1.035	<u>\$8,772,167</u>	<u>\$8,790,741</u>	<u>\$8,789,021</u>	<u>\$8,787,284</u>	<u>\$8,785,530</u>

**B) Restricted State Revenues – Line # 1.040**

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under “Restricted Categorical Aid” for Gifted, English Learners (ESL) and Student Wellness. We will need to see the new HB110 funding formula in December in order to determine amounts for the new restricted funds noted below. The district has elected to also post Catastrophic Aid for special education as restricted revenues. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
DPIA	\$218,288	\$220,471	\$222,676	\$224,903	\$227,152
Career Tech - Restricted	72,839	73,567	74,303	75,046	75,796
Gifted	0	0	0	0	0
ESL	0	0	0	0	0
Student Wellness	0	0	0	0	0
Catastrophic Aid	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Restricted Revenues Line #1.040	<u>\$306,127</u>	<u>\$309,038</u>	<u>\$311,979</u>	<u>\$314,949</u>	<u>\$317,948</u>

**C) Restricted Federal Grants in Aid – line #1.045**

There are no federal restricted funds projected in this forecast.

<u>Summary</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Unrestricted Line # 1.035	\$8,772,167	\$8,790,741	\$8,789,021	\$8,787,284	\$8,785,530
Restricted Line # 1.040	\$306,127	\$309,038	\$311,979	\$314,949	\$317,948
Rest. Fed. Grants #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$9,078,294</u>	<u>\$9,099,779</u>	<u>\$9,101,000</u>	<u>\$9,102,233</u>	<u>\$9,103,478</u>

**State Taxes Reimbursement/Property Tax Allocation – Line #1.050**

**a) Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changes the requirement for

Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

**Summary of State Tax Reimbursement – Line #1.050**

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Rollback and Homestead	<u>\$738,283</u>	<u>\$730,120</u>	<u>\$733,848</u>	<u>\$737,575</u>	<u>\$737,651</u>

**Other Local Revenues – Line #1.060**

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area has been open enrollment, tuition for court placed students, student fees, and general rental fees. HB110 the new state budget will stop paying open enrollment as an increase to other revenue for the district. This is projected below as zeros to help show the difference between projected FY22-FY26 Line 1.06 revenues and historical FY19 through FY21 revenues on the five year forecast. Open enrolled students will be counted in the enrolled student base at the school district they are being educated at and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid. In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Rentals are expected to remain somewhat lower due to COVID-19 restrictions and lower participation. We have suspended the anticipated \$1.25 million Payment in Lieu of Taxes (PILOT), originally planned for FY23 for the Harrison Power LLC for the \$1 billion Natural Gas Power Plant being built in Cadiz by EmberClear Corporation of Texas until we know exactly when the plant will come online. Currently the district leases out space to a dance studio in the old Westgate Elementary School. This building is being given over to the village. Therefore, the rental proceeds of \$15,750 has been eliminated beginning in FY22. All other revenues are expected to continue on historic trends.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
PILOT Payments	\$0	\$0	\$0	\$0	\$0
Open Enrollment Gross	0	0	0	0	0
Interest	354,509	358,054	361,635	365,251	368,904
Tuition SF-14 & SF-14H	112,645	113,771	114,909	116,058	117,219
CAFS Funding	50,000	50,000	50,000	50,000	50,000
Other Income and adjustments	<u>84,113</u>	<u>84,175</u>	<u>38,456</u>	<u>33,691</u>	<u>13,877</u>
Total Other Local Revenue Line #1.060	<u>\$601,267</u>	<u>\$606,000</u>	<u>\$565,000</u>	<u>\$565,000</u>	<u>\$550,000</u>

**Short-Term Borrowing – Lines #2.010 & Line #2.020**

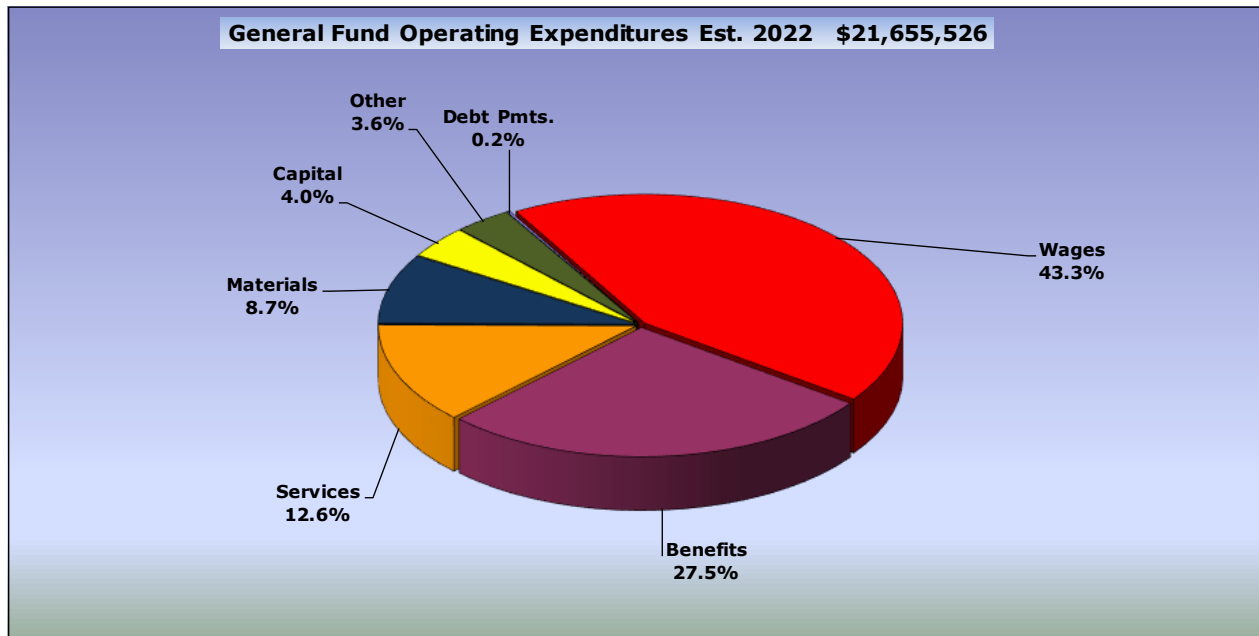
There is no short-term borrowing planned for in this forecast at this time from any sources.

**Transfers In / Return of Advances – Line #2.040 & Line #2.050**

These are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. Repayment of advances from previous years is expected to continue.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Transfers In - Line 2.040	\$272,345	\$272,345	\$272,345	\$272,345	\$272,345
Advance Returns - Line 2.050	<u>177,875</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
Total Transfer & Advances In	<u>\$450,220</u>	<u>\$622,345</u>	<u>\$622,345</u>	<u>\$622,345</u>	<u>\$622,345</u>

**Expenditure Assumptions**  
**All Operating Expense Categories – General Fund FY22**



**Wages – Line #3.010**

The amounts for salaries and benefits are based on existing negotiated agreements and estimates for future settlements.

The board of education and classified staff successfully negotiated a 3-year contract beginning FY21 through FY23. There is a 4% increase in each year of the contract. The certified staff’s contract is for the period of FY22 through FY24. A 4% increase for each year of the contract was negotiated. As contracts expire a base increase for each year thereafter has been applied. Costs for salaries also includes: extended time, shift differential, overtime, substitute cost, leave incentive, severances and retirements with replacements. For planning purposes, a 4% base amount has been used for FY24-26.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Total Wages Line #3.010	<u>\$9,383,800</u>	<u>\$9,964,200</u>	<u>\$10,236,700</u>	<u>\$10,543,801</u>	<u>\$10,860,000</u>

**Fringe Benefits Estimates – Line #3.02**

This area of the forecast captures all costs associated with benefits and retirement costs.

**A) STRS/SERS Retirement Costs**

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. In addition, there are negotiated “pick ups” that are paid by the district for certified and administrative staff.

**B) Insurance**

Due to the district being a self-funded district, their experience and future impact on claims has to be considered. The district has experienced rate increases from 1% to 10%. For FY22, the increase is 10%. Due to the impact of claims on the setting of our rate, we believe our claims were down due to COVID-19 and the related shutdown. Non-emergency procedures were cancelled as well as routine visits. This has also caused a

change from in person visits to tele-visits. We are using a rate of 10% FY23 through FY26. The insurance committee will continue to work to shop around for the best benefit at the most reasonable costs.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. “Cadillac Tax”), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

**C) Workers Compensation & Unemployment Compensation**

Workers Compensation is expected to increase along with wages. Due to COVID19, unemployment costs have increased. These costs are related to substitute employees and Ohio law on how costs are shared with employers. Costs are estimated higher for FY22 and beyond. This will need to be watched closely.

**D) Medicare**

Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

**Summary of Fringe Benefits – Line #3.020**

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
STRS/SERS	1,555,424	1,646,231	1,694,411	1,742,237	1,791,737
Insurances	4,272,910	4,786,761	5,323,488	5,877,246	6,445,901
Workers Comp/Unemployment	89,454	94,678	97,130	99,894	102,740
Medicare	160,175	169,167	173,859	179,177	184,669
Other adjustments/Tuition	(128,163)	(301,537)	(415,488)	(807,848)	(1,010,227)
Total Fringe Benefits Line #3.020	<u>\$5,949,800</u>	<u>\$6,395,300</u>	<u>\$6,873,400</u>	<u>\$7,090,706</u>	<u>\$7,514,820</u>

**Purchased Services – Line #3.030**

HB110 the new state budget will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amount below as zeros to help reflect the difference between projected FY22-FY26 Line 3.03 costs and historical FY19 through FY21 costs on the five year forecast. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

It is anticipated that the costs incurred by special education and utilities will continue to increase. Therefore, the historical trend was utilized to determine increase trends. The district contracts for physical therapy and resource officers. The permanent appropriations for FY22 were used to determine this line item. Any increase for FY22 through FY26 was based on each individual budget line. We are working hard to control costs as much as possible in the purchased services area. Since the school district was successful in passing its bond issue in November of 2015, additional costs that were not co-fundable, as well as some anticipated increased costs of operating the new facility, have been included. We will continue to monitor the effects of state budget cuts on the potential reductions in costs to tuition payments made to other organizations that are deducted from our foundation payments.



<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Base Services	363,142	374,036	385,257	396,815	408,719
Tuition, CAFS, Scholarship & CC+	824,397	849,129	874,603	900,841	927,866
Open Enrollment Deduction	0	0	0	0	0
Community School Deduction	0	0	0	0	0
Utilities	231,071	244,935	257,182	270,041	283,543
Other	1,317,390	1,333,700	1,383,958	1,434,838	1,487,495
Total Purchased Services Line #3.030	<u>\$2,736,000</u>	<u>\$2,801,800</u>	<u>\$2,901,000</u>	<u>\$3,002,535</u>	<u>\$3,107,623</u>

**Supplies and Materials – Line #3.040**

The permanent appropriations were used to determine this line item. Any increase for FY22 through FY26 is based on each individual budget line.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Supplies	\$1,086,636	\$1,140,968	\$1,198,016	\$1,257,917	\$1,320,813
Items for New School	<u>806,775</u>	<u>879,756</u>	<u>953,427</u>	<u>982,030</u>	<u>982,030</u>
Total Supplies Line #3.040	<u>\$1,893,411</u>	<u>\$2,020,724</u>	<u>\$2,151,443</u>	<u>\$2,239,947</u>	<u>\$2,302,843</u>

**Equipment – Line # 3.050**

Computers and technological upgrades will be done by using federal and general fund monies when available. General fund monies will be monitored closely. Capital Improvement Set Aside funds will be used as much as possible. In addition, the board of education did not renew the Permanent Improvement Levy at the end of CY 2019. Therefore, we have projected the cost of 3 new busses to this line for FY24-26.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Capital Outlay	\$ 66,340	\$ 541,216	\$ 266,582	\$ 271,914	\$ 277,352
Items for New School	\$805,125	\$797,449	\$681,793	\$714,187	\$714,187
School Busses	<u>0</u>	<u>0</u>	<u>303,000</u>	<u>306,030</u>	<u>309,090</u>
Total Equipment Line #3.050	<u>\$871,465</u>	<u>\$1,338,665</u>	<u>\$1,251,375</u>	<u>\$1,292,131</u>	<u>\$ 1,300,629</u>

**Principal, Interest and Fiscal Charges– HB264 Loans – Lines #4.05 and #4.06**

Funding for the HB 264 project was completed using the Federally Taxable Qualified School Construction Bonds – Direct Pay program. The district is responsible for interest payments. However, due to the funding mechanism, the district will complete a Form 8038-CP for a reduction to the credit payment. If funding is available through the federal government, the district will be reimbursed up to the full amount of the interest payment.

This is for the repayment of principal related to the HB 264 project that was done the summer and fall of 2010. This was for a lighting project at Harrison East Elementary and the Jr. /Sr. High School; and replacement of steam traps at the Jr./Sr. High School. The final payment will be December 2025.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
HB 264 Principal Line # 4.050	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$45,000</u>	<u>\$45,000</u>	<u>\$50,000</u>
<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Interest on Borrowing Line 4.060	<u>\$2,500</u>	<u>\$2,500</u>	<u>\$2,500</u>	<u>\$2,500</u>	<u>\$1,000</u>

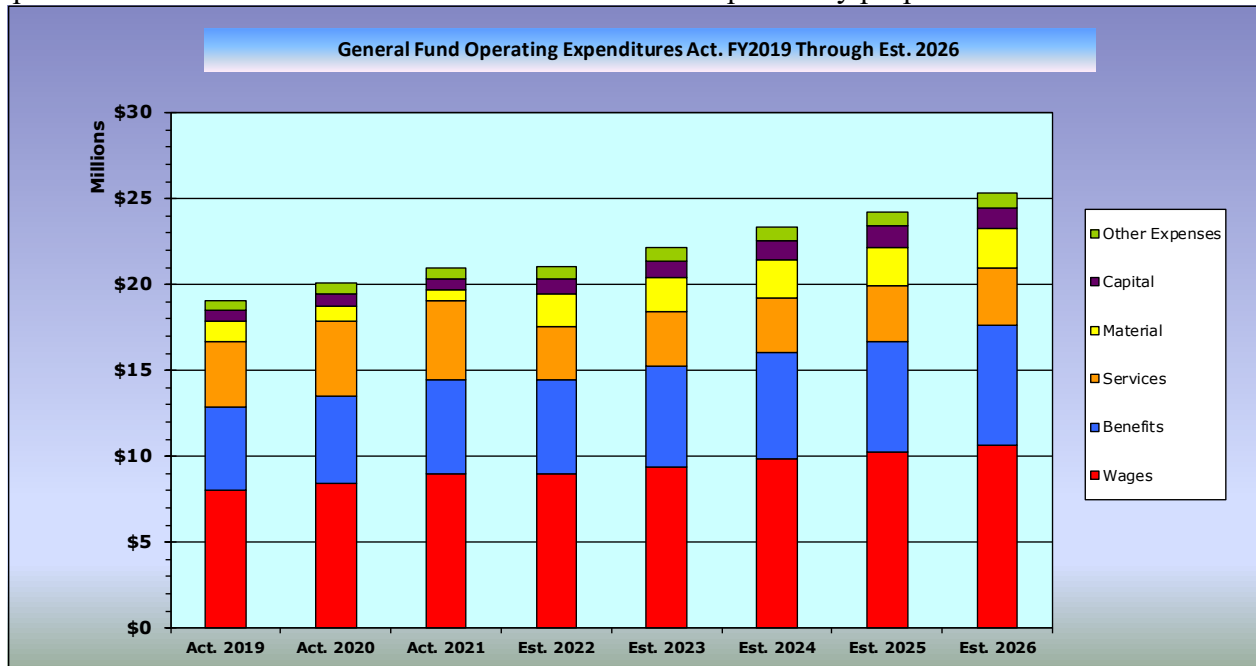
**Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the District and Auditor & Treasurer fees. Also, any increase in local taxes will cause Auditor and Treasurer fees to increase as more dollars are collected. A rate of 1% increase is projected in this area.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
County Auditor & Treasurer Fees	\$437,366	\$454,861	\$473,055	\$491,977	\$511,656
County ESC	57,809	60,699	63,734	66,921	70,267
Other expenses	158,347	159,930	161,529	163,144	164,775
Miscellaneous	<u>125,028</u>	<u>115,348</u>	<u>131,211</u>	<u>132,373</u>	<u>133,346</u>
Total Other Expenses Line #4.300	<u>\$778,550</u>	<u>\$790,838</u>	<u>\$829,529</u>	<u>\$854,415</u>	<u>\$880,044</u>

**Total Expenditure Categories Actual FY19 through FY21 and Estimated FY22 through FY26**

The graph below shows an overview of actual and estimated expenses by proportion to the General Fund total.



**Transfers Out/Advances Out – Line# 5.010**

The expenditures that are reflected are for those transfer of funds from the general fund (001 no special cost center) to the set aside funds (001 with special cost centers). The board set up the Capital Improvement Fund in FY17. The board of education has determined these revisions were necessary to the success of the new facility and to meet the needs of the students. These costs are not covered by the Ohio School Facility Commission. The building project is officially closed by the Ohio School Facilities Commission, any excess funds may be returned to the general fund. It is the goal of the board of education to provide a facility that will meet the needs of the district and its students for many years to come. For this reason, we have increased the transfer out in FY22 for a new baseball field and complex.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Operating Transfers Out Line #5.010	\$5,325,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Advances Out Line #5.020	<u>700,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
Total Transfer & Advances Out	<u>\$6,025,000</u>	<u>\$2,350,000</u>	<u>\$2,350,000</u>	<u>\$2,350,000</u>	<u>\$2,350,000</u>

**Encumbrances – Line #8.010**

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered. Encumbering funds is based on the financial condition of the district.

	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Estimated Encumbrances	<u>\$555,000</u>	<u>\$555,000</u>	<u>\$555,000</u>	<u>\$555,000</u>	<u>\$555,000</u>

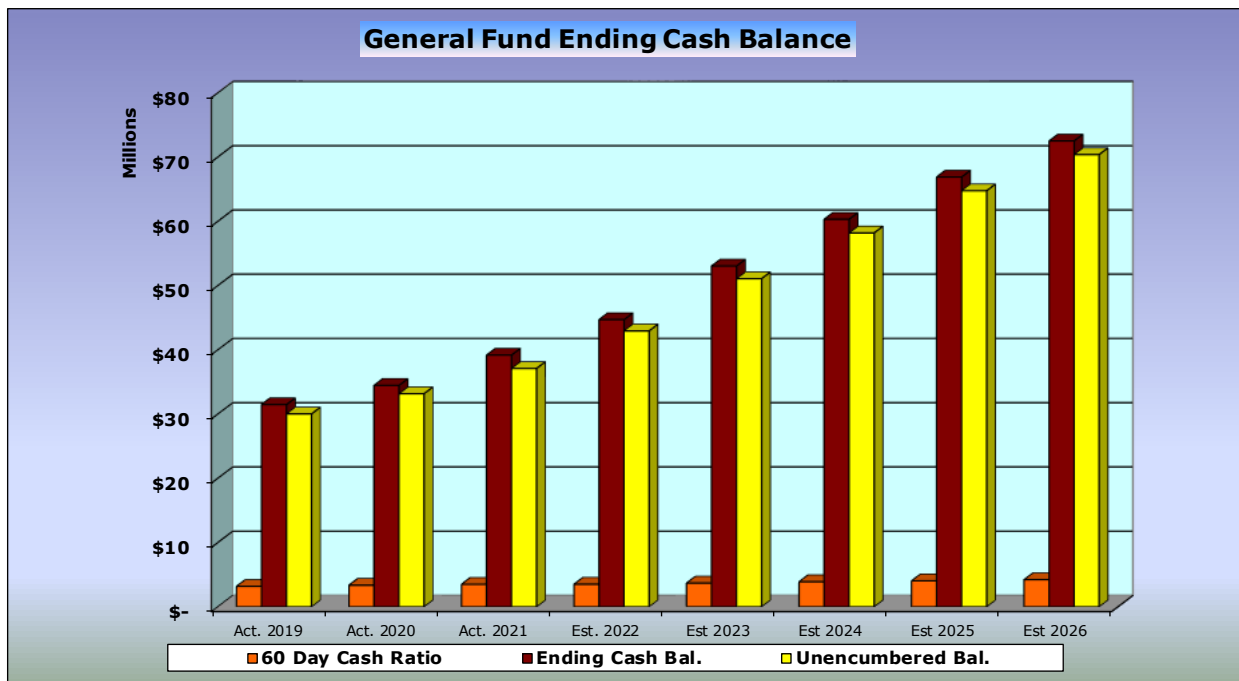
**Reserve Assumptions**

The district is planning a small budget reserve each of the forecast years. We also are carrying a set aside for capital improvements as required by state law.

**Ending Unencumbered Cash Balance – Line#15.010**

This line must **not** go below \$-0- or the district’s General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed and results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000.

	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Ending Cash Balance	<u>\$ 41,826,399</u>	<u>\$ 48,857,485</u>	<u>\$ 55,174,818</u>	<u>\$ 61,036,001</u>	<u>\$ 66,095,879</u>



**True Cash Days Ending Balance**

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but should be no less than thirty (30) at a minimum. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves.

## Ending Cash Balance in True Cash Days

